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State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil Gas and Mining

JOHN R. BAZA
Division Director

July 18, 2007

Western Clay Company
620 E State Hwy 24
Aurora, Utah 84620

Subject: Approval of Reclamation Surety and Reclamation Contract, Western Clay Company, Three Knolls Mine, S/027/101, Millard County, Utah

Dear Mr. Boyter:

On May 17, 2007, the Director of the Division of Oil, Gas and Mining signed the reclamation contract for the Three Knolls Mine Project Notice of Intention to Conduct Mining, file number S/027/101. You now have Division approval of the form and amount of surety for the above referenced site. A copy of the executed reclamation contract/surety is enclosed for your records.

If you have questions or concerns regarding this letter, please contact me at (801) 538-5325 or Tom Munson at 538-5321. Thank you for your help in completing this very important regulatory requirement.

Sincerely,

Daron R. Haddock
Permit Supervisor
Minerals Regulatory Program

DRH:tm:pb

Enclosure: reclamation contract/surety

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